



# Haryana Government Gazette

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## PART – I

### Notifications, Orders and Declarations by Haryana Government

#### HARYANA GOVERNMENT

#### AGRICULTURE AND FARMER'S WELFARE DEPARTMENT

#### Notification

The 17th May, 2021

#### Guidelines for Banks for Credit to FPO Projects

**No. 800-Agri.II(5)-2021/4380.**— Governor of Haryana is pleased to accord the approval of proposal for providing credit without collateral security by the banks to the projects of Farmer Producers Organizations under Crop Cluster Development Programme (CCDP). This approval shall be subject to the terms and conditions of sanctioning of loan, release of assistance and term loan release pattern as mentioned hereunder:-

#### 2. Terms and conditions:

The Department of Horticulture is implementing the scheme of Crop Cluster Development Programme (CCDP) through Small Farmers Agribusiness Consortium, Haryana (SFACH). For credit linked projects, FPOs requires financing for their projects. For this Department of Horticulture has prepared a proposal in consultation with banks, subcommittee of SLBC, 151st SLBC meeting and suggestions which was conveyed by SLBC *vide* letter no. SLBC: Agri: dated 25.06.2020. The guidelines shall be as under:

#### (1) Terms for sanctioning of loan:

- i. No budgetary provision for providing collateral security/credit guarantee will be provided by State Government.
- ii. Only bankable proposals will be considered by the bank.
- iii. Entire assets of the FPO will be charged in favour of the bank and in case the account is classified as NPA or FPO is not able to pay the bank dues, the bank will have the preference over other stakeholders for recovery of dues as per their share.
- iv. Every FPO will nominate two or three members of the group to approach the bank for credit facility/ to complete the formalities as stipulated by the bank so that no undesirable person can contact the branch officials.
- v. For construction/setting up of unit with subsidy and margin amount timeline of nine months is fixed subject to extension by Managing Director, Small Farmers Agribusiness Consortium, Haryana keeping in view the unavoidable circumstances.
- vi. FPO will prepare a Bankable project/DPR for sanction of loan and project will be implemented by FPO upon approval of bank loan.

- vii. Bank shall finance the project equal to balance 20-30% of project cost including working capital without collateral security/credit guarantee.
- viii. The bank shall issue the sanction letter to FPOs.
- ix. Department/SFACH shall approve the project after receiving of term loan sanction letter.
- x. Department/SFACH shall release the subsidy amount in three instalments as indicated below under 'Assistance and term loan release pattern'.
- xi. Bank shall release the term loan at one go (single instalment) after utilisation of three instalments as per terms laid down below under 'Assistance and term loan release pattern'.
- xii. Before lending the FPO by Banks, the Cibil of Directors must be reviewed to ensure the future repayment of loan.
- xiii. The project of FPOs which are established on leased land (30 years lease) would give the lease right to the lending bank, which in case of default i.e. the lease rights can be overtaken by bank and can be further leased to other entity by bank for recovery their term loan.

(2) Assistance and term loan release pattern:

There shall be 3 instalments of release of subsidy by the Government. These three instalments shall be released by the Government in form of subsidy and thereafter bank shall release loan amount upon utilization of total subsidy amount and FPO contribution. The stage wise release pattern shall be as under:

Instalment	Payments terms
1st	1st instalment of 25% of the approved assistance under the scheme will be released by the Government after ensuring that 100% of the applicant contribution has been spent on the eligible project cost and after site inspection conducted to ascertain the commensurate physical progress of the project.
2nd	2nd instalment of 40% of the approved assistance under the scheme will be released by the Government after ensuring the (i) utilization of first instalment released and (ii) after conduct of site inspection to ascertain commensurate physical progress of the project.
3rd	3rd and final instalment of remaining 35% of the approved assistance under the scheme will be released in two parts as under: Part – 1 @ 25% will be released to bank after ensuring the (i) Utilization of 2nd instalment released and (ii) after conduct of site inspection to ascertain commensurate physical progress of the project. Part – 2 @ 10% shall be released to bank after ensuring that (i) Utilization of 3 Part-1 payment and (ii) after joint inspection by a team consisting of the representatives of Department of Horticulture, SFACH, NABARD and ADC, the bank.
Bank Loan	The lending bank shall release the loan amount of eligible project cost after ensuring that (i) Utilization of 100% subsidy, (ii) Joint inspection at Bank level and (iii) Certificate of completion of project and started of commercial operations/production by bank.
	Working capital shall be released by bank after completion of project and started of commercial operations/production.

3. This issue with the approval of Finance Department *vide* U.O. No. 20397/ 2017-4FD-I/28088 dated 29.04.2021.

DR. SUMITA MISRA,  
Additional Chief Secretary to Government Haryana,  
Agriculture & Farmers' Welfare Department.